

## Message Text

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60

ACTION COME-00

INFO OCT-01 AF-06 NEA-10 ISO-00 EB-07 /024 W

----- 127581

R 251125Z FEB 76

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 1204

INFO AMEMBASSY KUWAIT

AMEMBASSY TEHRAN

LIMITED OFFICIAL USE KHARTOUM 0558

E.O. 11652: N/A

TAGS: BENC, GAGB, SU

SUBJECT: MAJOR PROJECT, SUDAN GRAIN SOTRAGE AND  
HANDLING

RDRSVC STATE 041300 (NOTAL), STATE 034640 (NOTAL)

1. SITUATION ON SILOS AND STORAGE PROJECT PERHAPS  
NEEDS SGXMARY DESCRIPTION. GOS HAS DETAILED PROPOAEL  
DEVBLOPEN BY KJENCH FIRM, INTER-G, INVOLVING LARGELY  
BRITISH, FRENCH, AND ITALIAN EQUIPMENT AND CARGILL-  
TRADEX UNDER MARKETING CONTRACT (75 KHARTOUM 2730,  
NOTAL). PROPOSAL MEETS ESSENTIAL SPECS STATED IN  
75 KHARTOUM 2289, ALTHOUGH WE UNDERSTAND NUMBER OF  
TRUCKS NEEDED HAS SINCE BEEN RUDUCED FROM 600 TO 200.  
FINANCING IS APPARENTLY KEY PROBLEM, AND GOS SILOS  
AND STORAGE CORP. HAS REPORTEDLY BECOME DISENCHANTED  
WITH INTER-G'S INABILITY DELIVER ON THIS SCORE.  
JOB REGARDED AS HIGH-PRIORITY, AND ONE FOR WHICH  
ARAB FUND INPUT IS PLANNED UNDER SPECIAL ARAB  
AGRICULTURAL FUND FOR SUDAN (KHARTOUM 0403).

2. ON EMBASSY'S INSTIGATION, BUTLER MANUFACTURING  
CO. (KANSAS CITY) APPEARED ON SCENE AND AROUSED GOS  
INTEREST. BUTLER PRIMARILY FOCUSING ON SALE OF ITS  
SILOS, HOWEVER, NOT ON WHAT WE BELIEVE IS NEEDED,  
NAMELY DEVELOPMENT OF U.S. CONSORTIUM OF COMPANIES  
WHICH WOULD COMPETE WITH INTER-G'S CONSORTIUM. NEED  
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RIGHT NOW IS NOT FOR DETAILED "FORMAL" PROPOSAL BUT

FOR PRELIMINARY PROPOSAL WHICH WOULD ADDRESS ITSELF TO ENTIRE PROGRAM (WORTH ESTIMATED \$150 MILLION) OF STORAGE, HANDLING AND TRANSPORT AND THUS PROVIDE ALTERNATIVE TO WHAT INTER-G HAS PRESENTED. TURN-KEY APPROACH IS ESSENTIAL IF U.S. IS TO MAXIMIZE SHARE OF MARKET AND IMPROVE CHANCES OF OBTAINING MAJOR ARAB FUND COMMITMENT TO PROJECT. BELIEVE ALSO SOME EXIM INPUT WILL BE ESSENTIAL, ALTHOUGH AMOUNT MAY BE MODEST COMPARED TO EXPORT VALUE.

3. FOR FURTHER BACKGROUND, MEPD MIGHT CONTACT JOHN E. OLSON, VICE PRESIDENT OF BLACK & VEATCH INTERNATIONAL (KANSAS CITY, MO. TEL 816-361-7000), WHO INVESTIGATED STORAGE PROJECT WHILE ON TRIP TO SUDAN. IF HIS OR ANOTHER REPUTABLE COMPANY CANNOT BE INDUCED TO LEAD CONSORTIUM, AN ALTERNATIVE WOULD BE FOR EQUIPMENT SUPPLIERS TO MAKE PROPOSALS TO INTER-G (3 RUE HENRI-HEIME, 75016 PARIS, FRANCE), WITH COPIES TO ABDEL RAHMAN MEDANI, MANAGING DIRECTOR OF STORAGE AND SILOS CORP., BOX 1183, KHARTOUM, SUDAN. ARMED WITH COMPETING U.S. OFFERS, GOS COULD FORCE INTER-G TO INVITE TENDERS FROM U.S. AS WELL AS EUROPEAN COMPANIES. IN THAT SITUATION, HOWEVER, LARGER EXIM INPUT WOULD PROBABLY BE CRUCIAL, AS WE BELIEVE ARAB FUND WILL BE LESS INCLINED SHOULD MAJOR BURDEN OF FINANCING WHERE EUROPEAN, RATHER THAN U.S. FIRM IS CONSORTIUM LEADER.

4. FOR KUWAIT AND TEHRAN: BERT ESPINDOLA OF BUTLER IS REPORTEDLY IN TEHRAN (HILTON HOTEL) NOW AND WILL BE GOING TO KUWAIT FEB 28. WOULD APPRECIATE YOUR ATTEMPTING CONTACT HIM TO URGE THAT HE STOP IN KHARTOUM BEFORE RETURNING TO U.S. EVEN IF HE HAS NO PROPOSAL TO MAKE, BOTH EMBASSY AND GOS WOULD FIND IT USEFUL TO BE ABLE TO DISCUSS SITUATION REGARDING THIS PROJECT WITH HIM. INCIDENTALLY, HE SHOULD BE INFORMED THAT RAHMATELLA ABDALLA HAS NEVER RECEIVED EITHER TELEX OR LETTER PROMISED BY ESPINDOLA (STATE 028380, NOTAL). DECON ON RECEIPT.

BREWER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**TAGS:** BENC, BAGB, SU  
**To:** STATE  
**Type:** TE  
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